



(continued)

sales greater than or equal to \$500,000 would receive an additional commission of 0.125% beginning July 1, 2002, 0.5% beginning July 1, 2003, and 0.875% beginning July 1, 2004. Table 1 shows the additional commission rates and the effective date for these rates under this proposal.

<b>Table 1</b> <b>Additional Commission Rates</b> <b>Under this Proposal</b>		
<b>Additional Commission Rates</b> -----Sales-----		
<u>&lt;\$500,000</u>	<u>&gt;=\$500,000</u>	<u>Effective Date</u>
1.250%	0.125%	July 1, 2002
1.250%	0.500%	July 1, 2003
1.500%	0.875%	July 1, 2004

- Under this proposal, revenue to the *general fund would decrease* by \$288,608 in fiscal 2003. The agency liquor stores *commissions will increase* by \$288,608 in fiscal 2003.
- The above impacts in assumption #3 are calculated using fiscal 2000 commissions as a base. Under this proposal gross liquor sales general fund revenue estimates under current law are used to calculate the impacts in assumption three. The gross sales and commissions under current law for fiscal years 2005 and 2006 are held fixed at the fiscal 2004 level.

FISCAL IMPACT:

Revenues:

General Fund (01)  
 Commissions (liquor stores) (02)

FY2002  
Difference

FY2003  
Difference  
 \$(288,608)  
 \$288,608

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)  
 Commissions (liquor stores) (02)

\$(288,608)  
 \$288,608

LONG-RANGE IMPACTS:

Under this proposal, revenue reductions to the state general fund will continue in succeeding fiscal years, and agency liquor store commissions will continue to *increase*, as long as gross sales continue to increase. Table 2 shows the revenue impacts under this proposal to the agency liquor stores with volume of sales less than \$500,000, agency liquor stores with volume of sales greater than or equal to \$500,000, and the state general fund through fiscal year 2006.

<b>Table 2</b> <b>Revenue Impacts under this Proposal</b>					
<u>Year</u>	-----Commissions----- Stores with Volume Of Sales		<u>Total</u>	<u>General Fund</u>	
	<u>&lt;\$500,000</u>	<u>&gt;=\$500,000</u>			
FY2003	\$ 226,428	\$ 62,180	\$ 288,608	\$	<b>(288,608)</b>
FY2004	\$ 239,326	\$ 262,885	\$ 502,211	\$	<b>(502,211)</b>
FY2005	\$ 287,191	\$ 460,049	\$ 747,240	\$	<b>(747,240)</b>
FY2006	\$ 287,191	\$ 460,049	\$ 747,240	\$	<b>(747,240)</b>

TECHNICAL NOTES:

1. Section 1, 16-2-101(4)(b)(III), MCA, is not explicit and/or clear in its intentions.